

CHAIRMAN’S REPORT

Economy

Oman’s economic outlook for 2026 remains broadly positive, underpinned by steady diversification efforts and improving macroeconomic fundamentals. The International Monetary Fund projects that Oman’s economy will expand by 3.5% in 2026, underscoring its continued resilience amid a challenging global environment. Growth is expected to remain supported by steady non-oil sector activity and the continued implementation of fiscal reforms. This resilience reflects continued momentum in non-oil sectors such as logistics, tourism, manufacturing, and renewable energy, alongside a gradual easing of oil production constraints.

According to the Macroeconomic Stability Report issued by the Central Bank of Oman, the economy has demonstrated a strong capacity to withstand external shocks, supported by prudent fiscal management and structural reforms. Oman’s investment-grade credit rating, relatively low inflation environment, and targeted spending on infrastructure further reinforce its medium-term growth prospects.

The 2026 budget also signals the launch of a new Five-Year Plan aligned with Oman Vision 2040, emphasizing fiscal sustainability, debt reduction, and enhanced social spending. Together, these factors position Oman to maintain stable growth while mitigating external risks and advancing its long-term economic transformation agenda.

Financial Highlights

For the first quarter ending 31st March 2026, the company earned a total revenue of RO 3,872K against total revenue of RO 3,945K for the comparative period last year. The company’s profit after tax and ECL provision stands at RO 961K for the period compared to RO 919K for the same period last year, showing a growth of 4.57%. The company’s gross Loan Book as of 31st March 2026 stands at RO 149.7 million. The total ECL and reserve interest on Instalment Finance receivables stands at RO 15.60 million as of 31st March 2026.

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Concerns

The global economy continues to face the ongoing threat of oil price fluctuations, supply chain disruptions, geopolitical tensions, disruptions in global trade, and extreme climatic events. Prolonged geopolitical conflict in the Middle East remains a significant downside risk that could impact logistics and investment attractiveness. There are challenges in matching skills with employment opportunities as Omanisation efforts intensify. The Banking sector continues to face challenges caused by global macroeconomic trends.

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Prognosis

We continue to foresee a challenging period ahead tempered with optimism. The company is well capitalized with a healthy capital adequacy of 30.24% (including the Compulsorily Convertible Bonus Stock Bonds), has robust liquidity buffer in the form of liquid deposits with commercial banks which are being leveraged for effective treasury management. With a healthy capital structure, strong net worth, clean loan book, robust liquidity, lowest NPLs and high NPA coverage, the company is confident of posting satisfactory numbers.

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Acknowledgement

On behalf of the Board of Directors and the Executive Management of the Company, I am pleased to extend our deepest gratitude and appreciation to His Majesty Sultan Haitham bin Tarik, may God protect and preserve him, in recognition of his wise guidance and insightful vision, which contribute significantly to consolidating the path of sustainable development and enhancing progress and prosperity throughout the nation.

I also extend my thanks to all regulatory bodies, the Central Bank of Oman, the Financial Services Authority, and to the commercial banks, institutions, and clients of the Company for their continued support and cooperation. Finally, I express my sincere gratitude to the Company's management and employees for their loyalty and dedication to their work.

Khalid Said Salim Al Wahaibi

Chairman